

to easily cover their debit transaction costs, which the Fed pegged at just a few cents.

However, after the Fed issued the draft rule, the big banks and card network giants turned their lobbyists loose on them. It was a lobbying stampede.

They pressured the Fed to raise the debit swipe fee cap to a level far higher than 12 cents, because they claimed that there were all sorts of additional costs that the Fed forgot to include in its analysis.

The Fed gave in, and in June 2011 issued a final rule that raised the cap level to about 24 cents—much higher than the actual cost of a debit transaction.

Predictably, Visa, MasterCard and the big banks took advantage of this watered-down regulation that they had lobbied for. Visa and MasterCard promptly jacked up any swipe fee rates that were below 24 cents so that this 24 cent ceiling became a floor.

With Visa and MasterCard's rate increases, stores that mainly handle small dollar purchases like coffeeshops, convenience stores, and fast food restaurants are now paying far more in swipe fees than they did before.

These merchants used to be charged debit fees that were a percentage of the purchase amount, and now they are charged around 24 cents no matter how small the purchase. Their customers ultimately pay the price.

This was not a flaw in the law, which required a "reasonable and proportional" fee. Instead, it showed the danger of watering down the regulations that implement these laws. The banks and card companies lobbied the Fed for a loophole and when they got one, they ran through it.

After the Fed issued its final rule and Visa and MasterCard promptly raised their swipe fee rates to the cap level wherever they could, a coalition of merchants led by the convenience stores filed a lawsuit in federal court.

They argued that the Fed failed to follow the law in issuing its final regulation. They urged the court to order the Fed to rewrite its regulation in compliance with the statute.

I filed an amicus brief in this case in support of the merchants' position. In my brief, I pointed out that when the Fed doubled its swipe fee cap between the initial rulemaking and the final rulemaking, the Fed cited the need to cover certain costs that the statute explicitly prohibited the Fed from including.

The bottom line, I argued, was that the Fed came far closer to following the statute in its draft rulemaking than after it had bent toward the banks in its final rulemaking.

The court agreed, and yesterday it ordered the Fed to rewrite its rules in compliance with what the law provides.

Here's a key quote from the court's opinion: "The court concludes that the Board has clearly disregarded Congress's statutory intent by inappro-

priately inflating all debit card transaction fees by billions of dollars."

The court also pointed out the problem with Visa and MasterCard's swipe fee increases on small dollar transactions. The Court said:

By including in the interchange fee standard costs that are expressly prohibited by the statute, the final regulation represents a significant price increase over pre-Durbin Amendment rates for small-ticket debit transactions under the \$12 threshold. Congress did not empower the Board to make policy judgments that would result in significantly higher interchange rates.

The court concluded that the Fed must rewrite its regulation to lower the debit fee cap and to halt Visa and MasterCard's fee increases on merchants for small dollar transactions.

Now, this process of rewriting the regulations will take some time, and I suspect there may be more litigation before this issue is over.

But this court ruling marks a tremendous win for Main Street merchants and their customers who deserve the swipe fee relief that the law provided for.

Fortunately for the Fed, there are some clear roadmaps for how it can fix its regulation. I pointed out in my amicus brief that the Fed's initial rulemaking, with its 7 to 12 cent cap, came far closer to reflecting the actual costs that Congress instructed the Fed to look at.

The Fed should look again to its initial rulemaking as it works to rewrite its final rule.

And just last week, the European Commission announced that it would seek to cap debit swipe fee rates throughout the European Union at 0.2 percent of the transaction.

Given that the average debit transaction is about \$38, that works out to an average cap of about 7 cents—right where the Fed was in its initial rule.

Congressman PETER WELCH and I sent a letter last week urging the Fed to closely review the European Commission's debit fee cap and to incorporate it in the Fed's debit fee regulation. I believe the Fed will find the Commission's analysis and conclusions to be very helpful in rewriting its final rule.

As we move forward on the path of reasonable swipe fee reform, I should note that Visa, MasterCard and the banking industry are probably not too pleased with this court decision.

I suspect they will be up here on Capitol Hill very soon, screaming bloody murder and arguing that this court decision means the end of the world.

I just want to point out that the banks and card companies have been spreading myths and using scare tactics about swipe fee reform for years. None of them have come true.

They argued that swipe fee reform would devastate small banks. Yet separate studies by the Fed, GAO and the FTC have all found that the exemption I wrote in the law for small banks has worked as intended.

As it turns out, small banks and credit unions have thrived since this

law took effect. Why? Because under my amendment, small banks and credit unions can continue to receive the same high interchange rates from Visa and MasterCard they got before far higher than the rates that their big bank competitors now receive.

Also, the big banks argued that they would have to jack up fees on consumers to make up for the lost revenue from swipe fees.

But we haven't seen that happen either, because there is transparency and competition when it comes to bank fees on consumers. In fact, we've gotten more transparency on these fees in the past few years as many banks have adopted a fee disclosure form developed by the Pew Charitable Trusts that I have strongly supported.

As the banks' other scare tactics have faded away, they have resorted to arguing that the problem with swipe reform is that merchants haven't passed along enough swipe fee savings to consumers.

This was a pretty hypocritical argument for them to make, because they knew that Visa and MasterCard had raised many swipe fee rates after reform took effect—a direct result of the higher cap that they had lobbied for.

But even though many merchants have suffered under those swipe fee increases, we have still seen aggressive price competition and discounting by retailers since swipe fee reform took effect. Consumers have benefitted from this price competition, and they will benefit even more from this court ruling.

In closing, I note that yesterday's court decision marks another important step in the effort to make sure the electronic payments system is reasonable and fair for American consumers and businesses. Our work is not over yet, but we are making great progress.

I want to thank my colleagues and all the consumers, merchants and advocates across America who have joined me in this effort. This marks a big win for Main Street over Wall Street, and it wouldn't have been possible without this excellent coalition.

#### TRIBUTE TO GLENN POSHARD

Mr. DURBIN. Madam President, I would like to thank Dr. Glenn Poshard for all he has done for Southern Illinois University and for his 40 years of public service to Illinois.

After more than 7 years as president of Southern Illinois University, Dr. Poshard will be retiring next year. Under Dr. Poshard's leadership, Southern Illinois University has been able to keep tuition costs low and the university's finances sound, despite the financial problems that have plagued the State.

Throughout his career, Dr. Poshard worked for the people of southern Illinois. He was born in Herald, IL, and graduated from Carmi Township High School. He left Illinois to serve his country in the U.S. Army in Korea,

where he received a commendation for outstanding service.

Following his military service, Dr. Poshard returned to Illinois and used the G.I. bill to earn a bachelor's degree in secondary education, a master's degree in health education, and a Ph.D. in higher education administration. He received all three degrees from Southern Illinois University at Carbondale.

Appointed to the Illinois State Senate in 1984, Dr. Poshard held the seat until the people of the 22nd Congressional District sent him to the U.S. House of Representatives in 1989. During his 10 years in Congress, Dr. Poshard was a strong proponent of campaign finance reform. When he ran for Governor in 1998, he limited individual donations to his campaign and refused to accept contributions from political action committees.

Following his tenure in Congress, Dr. Poshard and his wife Jo founded the Poshard Foundation for Abused Children. For the last 14 years, the Poshard Foundation has helped children who have been victims of abuse, abandonment, or neglect in southern Illinois.

After a 40-year affiliation with the university, Dr. Poshard is leaving his beloved SIU in good shape. At SIU, Dr. Poshard has been a student, a student worker, a civil service worker, an adjunct professor, vice chancellor for administration, and now as he retires—the second longest serving president in the history of the Southern Illinois University system, an experience he calls “the greatest honor of my life.”

I congratulate Glenn on his distinguished career and thank him for dedicating his life to public service. I wish him and his family all the best.

#### POLITICAL PRISONERS AND POLITICAL REPRESSION IN RUSSIA

Mr. DURBIN. Mr. President, over the years I have come to the floor to raise the plight of political prisoners being held around the globe. These have included journalists, activists, bloggers, musicians, and opposition candidates who all had the misfortune of landing in an autocrat's jail for exercising or advocating for basic freedoms that most of the world takes for granted.

Many of these cases are ones that have received little attention or are not in the world's media spotlight, including: Gambian journalist Ebrima Manneh, who has been held incommunicado since 2006 and probably has died in detention; Vietnamese blogger Dieu Cay, who was jailed for 12 years for anti-state propaganda and is in poor health due to a hunger strike amid his president's recent visit to Washington; Saudi blogger Hamza Kashgari, who was grabbed off a plane in Malaysia while fleeing for his safety and returned to Saudi Arabia to face charges of blasphemy; Turkmen political dissident and human rights activist Gulgeldy Annaniyazov, who has been in jail since 2008; and Belarusian opposition candidate Mikalai, who was

thrown in jail for having the temerity to run against his country's strongman, President Lukashenko.

Many of my colleagues here have helped with these efforts, including 11 other Senators who recently joined in a letter to Uzbek President Karimov asking for the release of activist Akzam Turgunov and journalists Dilmurod Saidov and Salijon Abdurakhmanov.

Others have also championed the cause of political freedom around the world, including Senators MCCAIN and CARDIN, who have been leaders in trying to hold our Russian friends to a higher standard of political and human rights freedom.

In fact, Senator CARDIN was tireless in his effort to pass the Magnitsky law—a law that I supported—that tried to bring about some measure of accountability regarding the death of Russian lawyer Sergei Magnitsky, who was jailed after exposing official corruption and later died from mistreatment while in custody.

I have also watched with great dismay the deterioration of democracy and human rights in Russia.

A few years ago I had the chance to speak to the Lithuanian Parliament on that country's—the country of my mother's birth—20th anniversary of independence from the Soviet Union. One of the other speakers on that memorable occasion was Russian democrat small “d” democrat—Yuriy Afanasyev.

Many probably did not realize or have forgotten that during those heady days in the early 1990s a number of countries—such as Lithuania—were early in declaring independence and, as a result, helped change history in Eastern Europe.

And who helped support many such efforts?

Russian democrats in the streets of Moscow—the same ones who were also instrumental in bringing a transition to democracy in their own country.

Afanasyev was just such a Russian. He helped lead large public protests in Moscow during the January 1991 crackdown against Lithuania's independence movement.

That is why I find myself so saddened by what is happening in Russia today—the systematic state-sponsored harassment and dismantling of those Russian citizens and organizations that are still hoping for a democratic and free Russia so many years later.

Just 2 weeks ago, the Russian government tried and convicted popular opposition leader and candidate for mayor of Moscow Alesksei Navalny on charges that had already been thrown out as baseless after a local investigation.

If his conviction is upheld, he will be banned from public office for life.

Navalny's case is just one of a long list of politically motivated charges and actions in recent years used to squash any criticism of the Russian government or those who might want to run for political office:

A few weeks ago, hundreds of protesters were detained by Russian Interior Ministry personnel when protesting Navalny's dubious conviction—a fate met by scores of nonviolent protesters in recent years;

As of March of this year, the Russian Federal Security Service accompanied by tax enforcement and other government personnel has raided thousands of NGOs across Russia, seizing documents and interrogating staff—all in an orchestrated intimidation campaign;

Opposition leader Boris Nemtsov has been arrested multiple times for peacefully protesting government policies;

Deputy editor-in-chief of Russian newspaper Novaya Gazeta Sergei Sokolov fled Russia after the chief federal investigator took him into the forest and threatened to decapitate him;

Doctor of Political Sciences at Kuban State University Mikhail Savva, who was a member of the that region's Public Oversight Committee and an outspoken voice against corruption was arrested in April and has been held without bail on flimsy charges;

Leader of For Human Rights, Lev Ponomarev, a prominent human rights advocacy group in Moscow, was kicked and beaten during a forceful eviction of his organization from their headquarters. The assault was carried out by men dressed in civilian clothing, but was observed by riot police officers;

Lastly—and very symbolic of the hundreds arrested at recent protests—human rights activist Nikolay Kavkazsky was arrested last year at his home for allegedly hitting a policeman during a protest although an independent investigation implies he was in fact dodging blows from a policeman.

Let me take a moment to pause and mention an extraordinary story and photo from the Washington Post of Russian schoolteacher Marina Rozumovskaya, standing alone in front of Moscow City Hall in the freezing Russian winter in January of 2011.

In the photo she is holding an 8 by 11 inch sign that said “Freedom to political prisoners” in response to the arrest and jailing of a prominent opposition leader who had criticized the Russian government.

Watching and waiting for her to break the law across the street in the 10 degree weather were a dozen or so Russian police officers.

This brave schoolteacher told the Washington Post, “If you don't exercise your rights as a citizen, nothing will ever change.”

The Russian government has also used almost paranoid legislation to restrict Russian human rights and election monitoring organizations from doing their work.

For example, in March of 2013, Russian officials raided the offices of hundreds of non-governmental organizations, including Amnesty International.

Equally troubling, Russia's largest elections watchdog GOLOS, and its executive director Lilia Shibanova, were